



9110-04-P

DEPARTMENT OF HOMELAND SECURITY

Coast Guard

46 CFR Part 67

[Docket No. USCG-2010-0990]

RIN 1625-AB56

Vessel Documentation Renewal Fees

AGENCY: Coast Guard, DHS.

ACTION: Request for comments.

SUMMARY: The Coast Guard seeks public comment on whether to increase the period of validity for renewing endorsements on Certificates of Documentation. A separate fee of \$26 for annual renewals of endorsements upon the Certificate of Documentation was established in a recent rulemaking. The Coast Guard is considering options for implementing multiyear renewals and updating the fee for services, and seeks information on factors to consider when implementing these changes.

DATES: Comments and related material must either be submitted to the online docket via <http://www.regulations.gov> on or before **[INSERT DATE 90 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]** or reach the Docket Management Facility by that date.

ADDRESSES: You may submit comments identified by docket number USCG-2010-0990 using any one of the following methods:

- (1) Federal eRulemaking Portal: <http://www.regulations.gov>.

(2) Fax: 202-493-2251.

(3) Mail: Docket Management Facility (M-30), U.S. Department of Transportation, West Building Ground Floor, Room W12-140, 1200 New Jersey Avenue SE., Washington, DC 20590-0001.

(4) Hand delivery: Same as mail address above, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The telephone number is 202-366-9329.

To avoid duplication, please use only one of these four methods. See the “Public Participation and Request for Comments” portion of the SUPPLEMENTARY INFORMATION section below for instructions on submitting comments.

FOR FURTHER INFORMATION CONTACT: If you have questions about this document, call or e-mail Ms. Mary Jager, CG-DCO-832, Coast Guard; telephone 202-372-1331, e-mail Mary.K.Jager@uscg.mil. If you have questions on viewing or submitting material to the docket, call Ms. Cheryl Collins, Program Manager, Docket Operations, telephone 202-366-9826.

SUPPLEMENTARY INFORMATION:

Public Participation and Comments

We encourage you to submit comments (or related material) on the possibility of extending the period of validity and modifying the fee for renewal on endorsements on the Certificate of Documentation (COD). We will consider all submissions and may adjust our final action based on your comments. Comments should be marked with docket number USCG-2010-0990 and should provide a reason for each suggestion or recommendation. You may provide personal contact information so that we can contact

you if we have questions regarding your comments; but please note that all comments will be posted to the online docket without change and that any personal information you include can be searchable online (see the Federal Register Privacy Act notice regarding our public dockets, 73 FR 3316, Jan. 17, 2008).

Mailed or hand-delivered comments should be in an unbound 8½ x 11 inch format suitable for reproduction. The Docket Management Facility will acknowledge receipt of mailed comments if you enclose a stamped, self-addressed postcard or envelope with your submission.

Documents mentioned in this request for comments, and all public comments, are in our online docket at <http://www.regulations.gov> and can be viewed by following the website's instructions. You can also view the docket online at the Docket Management Facility (see the mailing address under ADDRESSES) between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

We are not planning to hold a public meeting but will consider doing so if public comments indicate a meeting would be helpful. We would issue a separate Federal Register notice to announce the date, time, and location of such a meeting.

Background

On August 12, 2014, the Coast Guard published a final rule entitled "Vessel Documentation Renewal Fees" in the Federal Register (79 FR 47015). The final rule contained the Coast Guard's revision of 46 CFR part 67, setting out fees for services provided.

The Coast Guard received 2,720 comment submissions on the proposed fees published on March 4, 2013 (78 FR 14053). Comments were received from individuals,

law firms, commercial vessel documentation services, industry groups, and maritime corporations. We considered all comments in promulgating the final rule. The Coast Guard received 1,316 comments regarding the implementation of the new fee. The majority of these comments (757 comments) suggested the Coast Guard institute a multiyear renewal option program. We made no changes to the final rule. However, we are now seeking public comments in considering options that could be proposed in a future rulemaking. This document provides the public with an opportunity to continue this discussion.

Discussion

The legal basis for charging fees for this service is found in section 10401 of the Omnibus Budget Reconciliation Act of 1990 (Pub. L. 101-508, Nov. 5, 1990, 104 Stat. 1388), codified at 46 U.S.C. 2110, which requires that the Coast Guard establish user fees for Coast Guard vessel documentation services. That section provides that the Secretary of the Department in which the Coast Guard is operating (Secretary) shall establish a fee or charge for a service or thing of value that is provided to the recipient or user of that service. The Secretary is empowered in 46 U.S.C. 2104 to delegate the authorities in 46 U.S.C. Subtitle II to the Coast Guard. The Secretary exercised that delegation's authority for fees in Department of Homeland Security Delegation No. 0170.1(92)(a).

In establishing these fees, we are required to use the criteria found in 31 U.S.C. 9701. Under this provision the fees must be fair, and must be based on the costs to the government, the value of the service or thing to the recipient, and the public policy or interest served (see 31 U.S.C. 9701(b)). One of the vessel documentation services the Coast Guard provides, and for which user fees are required under 46 U.S.C. 2110, is

renewal of endorsements upon a COD. A COD is (1) required for the operation of a vessel in certain trades, (2) serves as evidence of vessel nationality, and (3) permits owners of vessels to benefit from preferred mortgages (46 CFR 67.1). An endorsement means an entry that may be made on a COD, and, except for a recreational endorsement, is conclusive evidence that a vessel is entitled to engage in a specified trade (46 CFR 67.3).

The Coast Guard sets fees at an amount calculated to achieve recovery of the costs of providing the service, in a manner consistent with the general user charges principles set out in the Office of Management and Budget (OMB) Circular A–25. Under that OMB Circular, each recipient should pay a reasonable user charge for Federal Government services, resources, or goods from which he or she derives a special benefit. The user fee should be at an amount sufficient for the Federal Government to recover the full costs of providing the service, resource, or good (see OMB Circular A–25, sec. 6(a)(2)(a)).

After reviewing the comments to the proposed rule, the Coast Guard is seeking comment on whether it should consider extending the period of validity and modifying the fee for renewal on endorsements on the COD.

Request for Information

Through this document, the Coast Guard asks for comments and information to consider in updating renewal of endorsements on COD processes and fees. Please consider the following questions when preparing comments:

1. Would you prefer a multiyear renewal program with fees charged at the time of renewal, or would you prefer to continue annual renewals including an annual fee for service? Please explain why you prefer the renewal period and its fee payment schedule.

2. Would you prefer having the option of choosing a multiyear or annual renewal each time you renew? Please explain why you prefer the option that you chose.

If the only option for renewal is multiyear, how would you suggest the annual renewal is phased over to a multiyear renewal?

3. Would you prefer a multiyear renewal program that requires payment every other year, or one that requires payment every 3 years? Please explain why you chose this option.

4. What are the benefits of a multiyear renewal?

5. Are there any negative impacts of a multiyear renewal?

6. What, if any, concerns would you need to have addressed prior to selecting the multiyear renewal option?

7. What are the impacts to mortgages from multiyear information verification and COD renewal? Will lenders require additional information from the National Vessel Documentation Center (NVDC) to manage loans?

8. What period of renewal is best for mortgage lenders?

9. What other suggestions do you have for reducing the burden of obtaining a COD?

This document is issued under authority of 5 U.S.C. 552(a).

Dated: February 18, 2015

J.C. BURTON,
Captain, U.S. Coast Guard ,
Director of Inspections and Compliance.

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